

IMPACT OF UNETHICAL MANAGEMENT PRACTICES BY EMPLOYERS ON EMPLOYEE COMMITMENT DURING COVID 19 CRISES IN SAUDI ARABIA

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ABSTRACT

This study examined the relationship between unethical management practices adopted by firms during Covid 19 crises and its impact on employee commitment, of employees working in private company in KSA. Convenience sampling was adopted. A total of 200 workers were surveyed. Instrument was measured with 5-items on 5-point Likert scale ranging 5=strongly agree, 4=agree, 3=disagree, 2=strongly disagree and 1=undecided. Validity of the instrument was ascertained using face and construct validity. Reliability of instrument was determined using Cronbach Alpha. Spearman's Rank Order Correlation Coefficient was used for bivariate analysis with the aid of SPSS 20.0. The findings of the study revealed that there exist a strong relationship between the management practices and employee commitment. The study recommended that management must adopt fair practices for their workers which in turn effect their commitment to achieve organizational goals.

Keywords: Unethical Management Practices, Employee Commitment, Covid 19 Crises, Coronavirus Outbreak, Job Security, Employee Mental State.

INTRODUCTION

Coronavirus outbreak resulted in unemployment, social unrest and loss of jobs of people in various sectors across the globe. In KSA, from March-end, COVID-19 continues to sweep the nation, most private sector companies resorted to either sack employees asking them to go on indefinite leave without pay or reduced salaries by as much as 75%. The organized private sector in KSA saw major job cuts and layoffs of labour during and post coronavirus pandemic that significantly impacted the economic activities. The post coronavirus not only created job crises in labour market but affected the mental state of workers. The entire workforce was forced to undergo reduced income, furloughs, or layoffs as a result of the crisis. It not only affected adversely on the mental wellbeing of workers but reduced the employee commitment towards the organization. Employee Commitment is a psychological binding of an individual to the job and the organisation. A committed employee is described as the one who stays with the organization through thick and thin, attends work regularly, puts in a full day's work, protects company's assets, shares company's goals, etc. Employees play an important role to support the operations of the organization. Hence, it is important to ensure employees retain and commit in the organization. In exchange, they expect a work environment that fosters growth and

empowerment, allows for a better balance of personal and work life, provides the necessary resources to satisfy their needs and gives them job security. The following were the objectives of the study:

1. To examine the relationship between demographic profile of workers and employee commitment.
2. To analyses the impact of unethical management practices on employee commitment in private firms in KSA during Covid 19 crises.
3. To discuss the factors that affects the employee commitment.

LITERATURE REVIEW

Employee Commitment (Dependent Variable)

Employees' Commitment is defined as significant factor in understanding the work behaviour of employees (Dajani, 2009). Therefore, having committed employees will be the main objective for any organization in order to succeed in the competitive world today as employees' commitment is significant to the organizational goals and success (Mohsan et al., 2011). Researchers have suggested that reciprocity is a mechanism underlying commitment (Angle & Perry, 1983) and that employees will offer their commitment to the organization in reciprocation for the organization having fulfilled its psychological contract (Angle & Perry 1983; Robinson, 1995). According to theory on employee commitment there are three components of employee commitment which include Affective Commitment, Continuance Commitment and Normative Commitment. Affective commitment is considered to be an affect-focused attitude towards the organization, which represents an emotional bond between an employee and his or her organization (Allen & Meyer, 1996).

Management Practices (Independent Variable)

Pearson and Ananthram (2008) state that better outcomes are to be expected by matching individual and institutional needs. A management practice is also associated with job involvement (Zhou & Li, 2008). Job involvement refers to the extent to which individuals express psychological identification with their jobs (Zhou & Li, 2008). Zhou and Li (2008) assert that there is a relationship between management practices and job involvement. Moreover, Kazmi (2008) conducted a research on the significance of motivation on job performance at District Abbottabad, Pakistan and conclude that poor management practices and policies result in lower employee commitment, absenteeism, frustrations and incompetence. Research carried out by Yap et al. (2010) show those employees who perceive management practices to be effective are significantly more committed to their organisation and more satisfied with their job.

Relationship between Management Practices and Employee Commitment

Committed employees are one of the greatest assets any company can have and play a major role in overall business efficiency and profitability. Hurter (2008) argues that greater levels of employee commitment lead to organisational benefits such as a continuous flow of improvements, cost and efficiency improvements and active employee participation. Another scholar Snell and Bohlander (2007) argued that workers' commitment bring about increase in

productivity and firm's profitability. According to Madigan and Testa (1999), committed employees would work diligently, conscientiously, provide value, promote the organization's services or products and seek continuous improvement. Robbins (2003) contended that as a result of commitment of firm's workforce organization is able to withstand environmental turbulences. Vanhala & Salminen (2016), found employees' job security ensure and increase the employee to be more committed to work. From the critical review of previous researches, it can be concluded that management practices does impact the organization commitment of the employee. Hence, present study was undertaken to determine the impact of unethical and unfair management practices adopted by employers such as sacking employees without any reason, asking them to go on indefinite leave without pay, reduced income, furloughs, or layoffs in KSA during covid 19 crises on employee commitment. This research can guide practitioners such as human resource managers to understand a better range of factors that contribute towards employees' commitment. This would help the employers in designing a more effective and efficient human resource practices.

MATERIALS AND METHODS

The study was descriptive in nature and utilized survey method with the help of a self-designed Questionnaire. Pilot study was done to check the authenticity of self-designed questionnaire. The population taken consisted of the workers working in private sector Company in KSA. The sample consisted of workers of manufacturing, textile, IT, telecommunication industry, located in different locations of KSA including Riyadh, Jeddah, Dammam, Qassim, Hail. A total of 200 workers were surveyed. Both primary and secondary data were used for this study. Primary data was collected from the sample respondents through a structured questionnaire, secondary data for this study were collected from journal articles, research studies, books, and authentic websites such as EBSCO, PROQUEST and EMERALD. 200 Questionnaires were distributed among the respondents physically and mailed as Google Form. Around 192 responses were received in which 4 forms were incomplete, so they were discarded making the sample size of 188 respondents. The survey covered more than 10 companies across private sector industry in 5 major cities in KSA including Riyadh, Jeddah, Dammam, Qassim and Hail. The survey was conducted in May-June 2020 during the COVID-19 crisis. Instrument was measured with 5-items on 5-point Likert scale ranging 5=strongly agree, 4=agree, 3=disagree, 2=strongly disagree and 1=undecided. Validity of the instrument was ascertained using face and construct validity. Reliability of instrument was determined using Cronbach Alpha. Through intense Literature review, attributes of unethical management practices such as sacking employees without any reason, asking them to go on indefinite leave without pay, reduced income, furloughs, or layoffs were gathered and a questionnaire consisting of 10 questions was designed covering all the variables. Employee commitment was measured through a separate self-designed questionnaire consisting of three components of employee commitment which included Affective Commitment, Continuance Commitment and Normative Commitment. For measuring hypothesis 1, demographic variables such as age, experience, marital status, organisation and education were taken as independent variable and Employee Commitment as dependent variable. For hypothesis 2, an Unethical Management practice was taken as independent variable and Employee Commitment as dependent variable. The collected data were

appropriately coded and uploaded into a computer. Statistical package for social science (SPSS) version 20 was used to process the data and for application of statistical tools. Data was analysed using descriptive analysis, reliability test, normality test, Pearson Correlation Coefficient Analysis and Multiple Linear Regression.

Hypothesis of the Research

H1 There is no significant effect of demographic factors of the respondents on their employee commitment.

H2 There is no significant impact of unethical management practices on employee commitment.

RESULTS

RELIABILITY TEST

Cronbach's alpha was calculated for each scale using SPSS 20 to check the reliability of the research instrument, the reliability coefficient was found to be 0.838 for unethical management practices and 0.702 for employee commitment which are >0.7 . Hence, the Scale was considered to be quite reliable for the study (Tables 1-3).

| TABLE 1 RELIABILITY TEST | | | |
|-------------------------------------|-------------------------|---|--------------------|
| | Cronbach's Alpha | Cronbach's Alpha Based on Standardized Items | No of Items |
| Unethical Management Practices | 0.838 | 0.838 | 10 |
| Employee Commitment | 0.702 | 0.702 | 10 |

| TABLE 2 SUMMARY OF THE DEMOGRAPHIC PROFILES OF THE RESPONDENTS | | | |
|---|-----------------|------------------|-------------------|
| Demographic Variables | Category | Frequency | Percentage |
| Marital Status | Married | 119 | 63.3 |
| | Single | 69 | 36.7 |
| Age | < 25 years | 11 | 5.9 |
| | 25-30 years | 74 | 39.4 |
| | 31-40 years | 65 | 34.6 |
| | 41-50 years | 31 | 16.5 |
| | >50 years | 7 | 3.7 |

| TABLE 2 SUMMARY OF THE DEMOGRAPHIC PROFILES OF THE RESPONDENTS | | | |
|---|-------------------|-----|------|
| Education | < UG | 0 | 0 |
| | UG | 56 | 29.8 |
| | PG | 86 | 45.7 |
| | PhD | 33 | 17.6 |
| | Any other | 13 | 6.9 |
| Organisation | Manufacturing | 45 | 23.9 |
| | Textile | 33 | 17.6 |
| | IT | 52 | 27.7 |
| | Telecommunication | 39 | 20.7 |
| | Others | 19 | 10.1 |
| Experience | < 3 years | 45 | 29.9 |
| | 3-6 years | 46 | 24.5 |
| | 7-10 years | 41 | 21.8 |
| | 11-15years | 37 | 19.7 |
| | >15years | 19 | 10.1 |
| Total | Respondents | 188 | 100 |

| TABLE 3 SUMMARY OF THE RESULTS OF ANOVA (HYPOTHESIS 1) | | | | | | |
|---|---------------------------------|------------------|----------------|----------|--------|-------|
| Demographic Variable | Test of Homogeneity of Variance | Levene Statistic | Mean Square | Sig. | F | Sig. |
| Marital Status | 0.179 | 0.673 | Between Groups | 3099.249 | 21.043 | 0.000 |
| | | | Within groups | 147.287 | | |
| Age | 16.355 | 0.000 | Between Groups | 1275.932 | 9.196 | 0.000 |
| | | | Within Groups | 138.743 | | |
| Education | 6.239 | 0.000 | Between Groups | 210.240 | 1.295 | 0.277 |
| | | | Within Groups | 162.298 | | |
| Occupation | 4.233 | 0.003 | Between Groups | 2661.528 | 24.540 | 0.000 |
| | | | Within Groups | 108.456 | | |
| Experience | 3.799 | 0.005 | Between Groups | 1053.266 | 7.334 | 0.000 |
| | | | Within Groups | 143.610 | | |

Hypothesis 1: The results of the ANOVA shows that marital Status, age, occupation and experience has a significant effect on employee commitment as the Sig. values are <0.005 whereas education depicted no significant effect on employee commitment. Employees who are single showed better employee commitment as they have no other responsibilities whereas married employees showed lesser values for employee commitment as they have to see their spouse, children and other family members. Employees who are young showed better employee commitment as compared to older ones as with the increase in age, the responsibilities keep on increasing demanding more time and energy. Employees in telecommunication sector showed highest mean for employee commitment as compared to employees of textile industry, followed by manufacturing and IT companies employees making it difficult for them to have employee commitment. Experienced employees depicted less value for employee commitment as with the increase in designation there is an increase in workload since one has to manage the responsibilities under them and also they are considered to be answerable to the higher authority. So they are under very high pressure as compared to less experienced employees who just have to finish the work assigned to them. Education was found to have no significant impact on Employee commitment.

Hypothesis 2: There is no significant impact of unethical management practices on employee commitment.

For the analysis of hypothesis 2, Linear regression was applied in SPSS and the results show that the sig. level is ($p=0.000$) which is ($p<0.001$) stating that there is a significant impact of unethical management practices on employee commitment thus rejecting the null hypothesis and accepting the alternate hypothesis. The correlation coefficient was found to be ($p=-0.443$) in Table 4, showing that there is a negative correlation between unethical management practices and employee commitment. The model summary shown in Table 5 clearly depicts that the value of R square is (0.296) this means that there is around 30% variations in employee commitment due to unethical management practices. In Table 6, the Unstandardized coefficient of regression Beta is (-0.859) showing a strong negative impact of unethical management practices on employee commitment. Married people were found to have a higher level of employee commitment as compared to the singles; this is in contrast to the present study. A statistical significant association was not found between employees' commitment and their area of work ($P=0.73$).

| TABLE 4 PEARSON'S CORRELATION | | |
|----------------------------------|---|---------------------------|
| | Unethical Management Practices Final | Employee Commitment Final |
| Pearson Correlation | 1.000 | 0.443 |
| Sig. (1-tailed) | 0.0 | 0.000 |
| N | 188 | 188 |

**TABLE 5
MODEL SUMMARY**

| Model | R | R Square | Adjusted R Square | Std. Error of the Estimate |
|-------|--------------------|--------------------|-------------------|----------------------------|
| 1 | 0.443 ^a | 0.296 ^b | 0.292 | 11.48114 |

a. Predictors: (Constant), Unethical Management Practices Final.

b. Dependent Variable: Employee Commitment Final.

**TABLE 6
COEFFICIENTS OF REGRESSION**

| Model | Unstandardized Coefficients | | Standardized Coefficients | t | Sig. | Correlations | | | Collinearity Statistics | |
|------------|-----------------------------|------------|---------------------------|--------|-------|--------------|---------|--------|-------------------------|-------|
| | B | Std. Error | Beta | | | Zero-order | Partial | Part | Tolerance | VIF |
| (Constant) | 90.134 | 3.209 | | 28.088 | 0.000 | | | | | |
| EC final | -0.859 ^a | 0.128 | -0.443 | -6.733 | 0.000 | -0.443 | -0.443 | -0.443 | 1.000 | 1.000 |

a. Dependent Variable: Employee Commitment final

DISCUSSIONS

Nowadays, workers do not content with only promotion and wage increases, they also seek for psychological satisfaction and job security. No organization in today's competitive world can perform at peak levels unless each employee is committed to the organizations objectives and works as an effective team member. Employee's commitment is the sense of belonging of the employees towards an organization. Committed employees are one of the greatest assets any company can have and play a major role in overall business efficiency and profitability. Employee commitment depends on many factors such as management policy and practices, relationship with manager and peers, autonomy, job proud, flexibility in timings, job security, job enrichment, family support, fair compensation and reward system, participation in decision making, job stress. However, Unfair practices and improper treatment of workers results in lack of their eagerness and enthusiasm to work and disrupts employee commitment. If the employees experience obstacles in their job, they will not be able to progress, their stress is triggered and this results in alienation from the job, loss of motivation, boredom and loss in performance. Hence, employee commitment should be viewed as a business necessity. More research in this field can be conducted covering other sectors such as government education, medicine. This study may serve as a foundation for future studies in other sectors also as only private sector workers of KSA were involved in this study. The study can guide the employers in various organization to identify the major factors that can be focused on in order to retain the workers at the time of crises and increase their employees' commitment towards the firm.

CONCLUSION

This study emphasized on understanding the impact of demographic profile of workers on their employee commitment and the effect of unethical management practices on employee commitment in private firms in KSA during coronavirus crises. The results of the present study revealed that marital status, age, occupation and experience had a significant effect on employee commitment whereas education had no significant effect on employee commitment. It was found that there is a significant impact of unethical management practices on employee commitment as a negative correlation was found between unethical management practices and employee commitment. That means if unethical management practices in any organization will be high then employee commitment in that industry will be low. The results of this study suggest that there is a significant impact of unethical management practices on employee commitment in a firm.

LIMITATIONS

1. Convenient sampling has been used in the study and it has its own limitations.
2. Results of the study may not be generalized as findings were related to workers of private sector companies located in KSA.

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